GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:2954
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GRANTS FOR SCHOLARSHIP
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Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether the Government is considering to develop wider merit-cum means based loan and scholarship programmes through the Banking system and other agencies;

(b) if so, the details thereof ;

(c) whether the Government has released the scholarship td eligible candidates who applied for the last year ;

(d) if not, the reasons for non-payment of scholarship; and

(e) the steps taken by the Government for early disbursement of the scholarships ?

Answer

MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (SHRI M.A.A. FATMI)

(a) & (b): The Revised Model Educational Loan Scheme of Indian Banks` Association provides broad guidelines to the banks for providing financial support from the banking system to deserving/meritorious students for pursuing higher education in India and abroad. The main emphasis is that every meritorious student, though poor, is provided with an opportunity to pursue education with the financial support from the banking system with affordable terms and conditions and that no deserving student is denied an opportunity to pursue higher education for want of financiai support. For such loans upto Rs.4.00 iakhs, no security is required. Above Rs.4.00 lakhs and upto Rs.7.5 lakhs collateral in the form of a suitable third party guarantee is required. The bank may, at its discretion, waive third party guarantee if satisfied with the net-worth/means of parent who would be executing the document as `joint borrower`.Above Rs.7.5 lakhs, collateral security of suitable value or suitable third party guarantee along with the assignment of future income of the student for payment of installments is required.

Subject to repaying capacity of the parents/students, the following ceiling has been imposed regarding quantum of finance:

1. Studies in India- Maximum Rs. 7.5 lakhs

2. Studies abroad -Maximum Rs. 15 lakhs

Rate of interest:

Upto Rs. 4 lakhs - BPLR,

Above Rs. 4 lakhs - BPLR + 1 %

Under National Merit Scholarship Scheme of the Deptt. Of Higher Education, Govt. of India, financial assistance is being provided to the meritorious and poor students of rural areas studying in Classes IX & X and also to meritorious students studying in post- matric to post-graduate level in Government Schools, Colleges and Universities. Funds are provided under the Scheme to the States/ UTs for disbursement of scholarships to eligible candidates.

CBSE and UGC have signed MOUs with ICICI Bank for electronic disbursement of scholarships to the accounts of scholarship holders, under the following scholarship schemes:

(1) CBSE Merit Scholarship Scheme for Professional Studies.

(2) CBSE Merit Scholarship Scheme for Under-Graduate Courses.

(3) UGC Indira Gandhi PG Scholarship for Single Girl Child.

(4) UGC Post-Graduate Merit Scholarship to University Rank Holders.Students can also withdraw money using ICICI Bank ATM Cards/Smart Cards.Normally, the Plan Schemes require fresh sanction for the new plan period and at that time the scholarship programme may undergo modifications based on feedbacks,

(c),d) &(e) Under National Merit Scholarship Scheme, an amount of Rs. 8.36 crores for 25,220 students has been provided to the State Governments/UT Administrations during 2005-06 for disbursement of scholarships to awardee students.

Under both the schemes of UGC, 2340 students have been awarded merit scholarship during 2005-06 so far, on the basis of documents received through Universities/Colleges where the awardees have taken admission to the 1st Year of P.G. Programme. The names of 1370 awardees have been forwarded to ICICI Bank for distribution/crediting the amount of scholarship in the accounts of selected awardees.

During Â£005-06, CBSE has released 776 scholarships out of 1050 scholarships to the selected candidates. Rest of the scholarships could not be released due to incomplete information submitted by the candidates.